
HAPPINESS, CONTENTMENT, WEALTH CREATION AND SUSTAINABLE DEVELOPMENT

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ABSTRACT

How wealth is created is the subject matter of Economics. On the other hand, values, morals and ethics are often relegated to the domain of religion. The question this paper addresses is whether religion and its teachings on ethics and morality can influence the economic mechanisms through which needs are satisfied? Can the current single-minded pursuit of economic growth and materialism be reformed to serve social and environmental needs? To address these issues, this paper contrasts the current development paradigm with alternative paradigms. Many alternate development models are now beginning to recognize the importance of morality and the inner virtues of mankind. Among these alternative paradigms, the Sufficiency Economy Philosophy (SEP) promulgated by the King Bhumibol of Thailand based on Buddhist principle of Middle Path bears special promise. It conceives a development process that can satisfy the overall needs of this as well as future generations contributing to prosperity, stability and overall happiness.

Happiness, Contentment and Wealth Creation

A person cannot be content if his material and spiritual needs are not met. Material needs can be classified as consumption of goods and services, social needs and a need for a secure environment. It is not difficult to comprehend that wealth is a necessary requirement for the satisfaction of material needs. Spiritual needs, on the other hand, often consist of inculcation of values (virtues), morality and ethics which can be promoted by religion.

Economics studies the behaviour of individuals, households and organizations (agents) when they manage or use scarce resources, which have alternative uses, to achieve desired ends(wealth creation and its expenditure). Agents are assumed to act rationally, have multiple desirable ends in sight, limited resources to obtain these ends, a set of stable preferences, a definite overall guiding objectives, and the capability of making a choice. On the other hand ethics, moralities and values are about human actions and decisions and, more often than not, connected to religion. Religion is a set of variously organized beliefs about the relationship between natural and supernatural aspects of reality, and the special role of humans in this relationship. One of the most important roles of humans is to act as economic agents to meet various ‘materialistic’ needs. It is only natural that ethics, morality and values derived from a ‘non-materialistic’ belief system embodied in religion will impact on the ways economic agents go about realizing their ‘materialistic’ needs. How do they balance these two not so related aims? Can religion and its teaching on ethics and morality influence the quality and quantity of the ‘needs’ itself in addition to influencing the means and efficiency through which the needs are realized? Is single-minded pursuit of economic growth and fulfilment of materialistic(mainly consumption) needs, which is the main driving force of the current development regime, is good for overall happiness of mankind when inadequate attention is given to social and environmental needs? To address these questions, the general aim of the paper has been to review, identify and analyse the interaction between

religion, belief systems and economic performance, introduce alternative indicators of economic performance based on both narrow and broad objectives of economic development and discuss the possible role of the Sufficiency Economy Philosophy (SEP) in realizing a development process so as to satisfy the overall needs of this as well as future generations. A comparison is also made with available alternate development models according to principles of Buddhism and of Mahatma Gandhi.

The Sufficiency Economy Philosophy (SEP) which tries to blend external activities (economic, social and environmental) with internal activities (inculcating the habit of following “middle path” in decision making, ethics and morality) for development of individual, community and nation, is being implemented in Thailand.

The Spirit of Capitalism

Weber postulated that the development of capitalism occurred in connection with the Protestant (particularly Calvinist) ethic emphasizing hard work, frugality and diligence.¹ This ethic was a constant display of a person's salvation as opposed to the Catholic tradition's focus upon religious attendance, confession, and ceremonial sacraments. This ethic began to encourage large numbers of people to develop their own enterprises, engage in trade and accumulate wealth for investment in the secular world. This idea is known as the “Protestant Ethics Thesis.” Weber argued that the religious ideas of groups such as the Calvinists played a role in creating the capitalistic spirit. Weber first observed a correlation between being Protestant and being involved in business. He argued that the modern spirit of capitalism saw profit as an end in itself. Towards this end Protestantism offered a concept of the worldly “calling,” and gave worldly activity a religious character. Furthermore, Calvinism preached predestination; that God has already chosen who will be saved, and that one's success in worldly activity was a sign of one's salvation. He argued that this new attitude broke down the traditional economic systems, paving the way for modern capitalism and an unprecedented economic prosperity.

However, this embrace of the “Spirit of Capitalism” which was true in the earlier period of modern era is no longer true now. The “Protestant’s edge” has given way to a “Universal Spirit of Capitalism” available to whoever is able to embrace it. Economic prosperity became more widespread due to availability of opportunities offered by the “globalization-liberalization” regime; a number of Asian countries were quick in grabbing the opportunities for promoting capitalism and became prosperous “

One way of measuring material wealth for a country as a whole is through the Gross Domestic Product (GDP). This is the market value of all officially recognized final goods and services produced within a country in a year, or over a given period of time . Level as represented by per capita GDP is a measure of average standard of living of a country. The annual growth rate of GDP (adjusted for inflation) is used to measure the (material) progress of a country. These indicators are extensively used in economic analysis. There are two ways to measure (estimate) GDP; the income approach and expenditure approach . GDP can be estimated as the sum of wages and profits generated within a year or the sum of expenditures (in the same year) on consumption, investment and exports of goods and services of domestic origin. In “quality of life” jargon GDP can be taken as “materialistic/quantitative” quality of life at a national scale.

Gross National Happiness (GNH) and Its Four Pillars

The idea of a Gross National Happiness (GNH) was created in an attempt to measure the quality of life and social progress in more holistic and psychological terms than the more materialistic Gross Domestic Product (GDP).

The term “gross national happiness” was coined in 1972 by Bhutan’s fourth Dragon King, Jigme Singye Wangchuck . He used this phrase to show his commitment to building an economy that would serve Bhutan’s unique culture based on Buddhist spiritual values. Like many psychological and social indicators, GNH is somewhat easier to state

than to define quantitatively. Nonetheless, it served as a unifying vision for Bhutan's five-year planning process and all the derived planning documents that guide the economic and development plans of the country

The Bhutanese grounding in Buddhist ideals suggests that beneficial development of human society takes place when material and spiritual development occur side by side to complement and reinforce each other. The four pillars of GNH are (1) the promotion of sustainable development (2) preservation and promotion of cultural values (3) conservation of the natural environment, and (4) establishment of good governance. At this level of generality, the concept of GNH is trans-cultural; a nation need not be Buddhist to value sustainable development, cultural integrity, ecosystem conservation, and good governance. Through collaboration with an international group of scholars and empirical researchers the Centre for Bhutan Studies further defined these four pillars with greater specificity into eight general contributors to happiness — physical, mental and spiritual health; time-balance; social and community vitality; cultural vitality; education; living standards; good governance; and ecological vitality.

The GNH measure is designed to include nine core domains which are considered to be essential part of happiness in Bhutan. The measure itself is based on robust indicators representing performance of individuals in each domain. The nine domains have been selected on the basis of normative and statistical considerations. Equal weight is assigned to the domains as they are thought to be equally important for generating happiness.

The nine domains are as follows:

- Psychological well-being
- Health
- Time use
- Education
- Cultural vitality and resilience
- Good governance
- Community vitality
- Ecological diversity and resilience
- Standard of living

The Green GDP

Green Domestic Product (green GDP) is an index of economic growth with the environmental consequences of that growth factored into a country's conventional GDP. Green GDP monetizes the loss of biodiversity, and accounts for the costs created by climate change. Some environmental experts prefer physical indicators (such as “waste per capita” or “carbon dioxide emissions per year”), which may be aggregated to indices such as the “Sustainable Development Index”..

The Buddhist Middle Way and Gandhi's Self-Reliant Economy

Great spiritual masters like Buddha and spiritual/social activists like Gandhi have given the world their thoughts which can be used as ingredients to mark out alternate paths in which people can live their lives and grow with minimal negative economic, social and environmental impact.

The term “Middle Way” was used in the *Dhammacakkappavattana Sutta*. In this sutta, the Buddha describes the middle way as a path of moderation, between the extremes of sensual indulgence and self-mortification. This, according to him, was the path of wisdom.

The middle path leads to “Noble Eightfold Path:” right understanding, right thought, right speech, right action, right livelihood, right effort, right mindfulness and right concentration.

The path of “right livelihood” is the central point of Buddhist Economics. Buddhist economics is a spiritual approach to economics. It examines the psychology of the human mind and the anxiety, aspirations, and emotions that direct economic activity. A Buddhist understanding of economics makes a distinction between what is harmful and what is beneficial in the range of human activities involving production and consumption, and ultimately tries to make human beings ethically mature. It tries to find a “middle path” between a purely “ascetic” society and a society based on “greed and extravagance”.

Gandhi's economic ideals, much like everything else in his life, were governed by ethical and moral considerations. His stress on rural economy and emphasis on a simple life, coupled with his concern for universal well-being formed the foundation of his unique views on economics.

Gandhi himself believed that the model could be employed on an international scale as well. It should be remembered that Gandhi's economic models are particularly humanitarian in nature and for him no economic model is worth implementation unless it aims towards the general well-being of mankind.

Gandhi's views on economics were simple and straight forward at the outset. However, they have been sometimes criticized from being utopian to regressive. But the idea suited very well for promoting the nationalistic fervour required in the pre-Indian independence era to gain freedom. He understood economic motives to be the basic principle of imperialism and colonialism. And he therefore understood that the only way to attack and weaken the colonial forces would be to attack the basic economic profits that the British gained from the colonies. This coupled with his actual understanding of the Indian condition led to the development of a unique brand of economic re-orientation of the Indian society that he propagated throughout his life. However, it will be erroneous to consider his economic model to be merely a political tool shrouded in spiritual rhetoric. His concern for the welfare of the Indian villagers was genuine, as was his concern for the relentless mechanization of the world economy devoid of ethical considerations.

Gandhi's concern about improving the conditions of rural people, inculcating self-reliance through promotion of production and use of "locally grown" goods and services using locally available materials and expertise, instilling dignity of work along with moral and ethical values are still valid and point towards the importance of establishing a "human centric" alternate development model for economic prosperity as well as happiness of mankind.

The Sufficiency Economy Philosophy of King Bhumibol

As a young monarch in the 1950s, His Majesty started his learning process by visiting all parts of his country, observing the real conditions of the Thai people especially in rural areas and seeking solutions to their problems

During his travels, His Majesty found that drought had become severe in certain areas of the country due to inconsistent rainfall. As a result the farmers at times did not have enough water for crop production. Rice farmers suffered most as the crop required more water. In drought years they often go deeply into debt due to reduced income and extravagant spending habit. He advised the farmers to change from planting a single type of crop to integrated farming through land and water management. Thirty (30) per cent of the land was to be devoted to rice cultivation which could produce enough rice for the household needs. Thirty percent of land was to be used for a reservoir to preserve water. Another 30 per cent of the land could be used for growing more rice or horticultural crops, depending on the local conditions and the market demand. The remaining 10 per cent of land was meant to be used for building a house, paths and ditches and also for growing household vegetables and raising livestock. This was His Majesty's "practical" vision on "New Theory of Agriculture" to make farming sustainable and stable so that the farmers do not suffer due to the vagaries of weather and market. To make their efforts successful His Majesty has prescribed perseverance and industriousness. Also for social harmony people were advised to be compassionate towards one another .

This is one example where His Majesty has used his vision and wisdom to directly alleviate the suffering of common people through re-orienting the ways through which they do their business and conduct their lives. There are innumerable examples where he has visualised both practical and moral programmes intended to be used by common people to reduce their suffering and create happiness

His Majesty's lasting contribution to the people of Thailand and of the world has been to articulate the philosophy behind these programmes. The philosophy is known as "Sufficiency Economy Philosophy." The following discussions detail out the concept of this philosophy in its various interpretations and linkages.

Although the King has been promoting self-reliance and sustainable farming since the 1950s, it is generally accepted that the idea of Sufficiency Economy had been formalized in the 1970s based on many of his speeches.⁹

In various statements, King Bhumibol showed concern that modern development which emphasized only economic growth might eventually lead the country to crisis. Therefore, he stressed the importance of building a 'good and stable foundation' before further progress could be pursued. This means that instead of placing emphasis on the expansion of the industrial sector prior to development, the stability of the basic economy should be established first, that is, assuring that the majority of rural people have enough to subsist. This is a method of development that stresses the distribution of income to build the overall economic foundation and stability of the country before moving on to higher levels of development. This is a dynamic philosophy which also promotes prosperity.

The Three Pillars of Sufficiency Economy

The philosophy is based on the following three pillars and a set of associated conditions.

Moderation: Sufficiency at a level of not doing something too little or too much at the expense of oneself or others, for example, producing and consuming at a moderate level.

Reasonableness: The decision concerning the level of sufficiency must be made rationally with consideration of the factors involved and careful anticipation of the outcomes that may be expected from such action.

Risk Management (Self Immunity/Resilience): The preparation to cope with the likely negative impacts and changes in various aspects of one's action and decisions by considering the probabilities of likely outcomes.

Decisions and activities must be carried out at a sufficient level depending on the following two conditions:

1. Creation of Knowledge: comprehensive knowledge in the relevant fields and prudence in bringing this knowledge into practical action strategies so as to use them to aid in the planning and implementation of ground level activities.
2. Virtues to be promoted: developing awareness of honesty, patience, perseverance, and intelligence in leading one's life.

His Majesty explained that sufficiency meant living in moderation and being self-reliant in order to protect against changes that could destabilize the country¹⁰.

The Principle of Self-Reliance

Furthermore, His Majesty has recommended securing balance in the five following aspects to achieve the principle of self-reliance:

State of Mind: One should be strong, self-reliant, compassionate and flexible. Besides, one should possess a good conscience and place public interests as a higher priority than one's own.

Social Affairs: People should help one another, strengthen the community, maintain unity and develop a learning process that stems from a stable foundation.

Natural Resource and Environmental Management: The country's resources need to be used efficiently and carefully to create sustainable benefits and to develop the nation's stability progressively.

Technology: Technological development should be used appropriately while encouraging new developments to come from the villagers' local wisdom.

Economic Affairs: One needs to increase earnings, reduce unnecessary expenses, and pursue a decent life.

The Sufficiency Economy is a 'happiness development approach', which emphasized the middle path as an overriding principle for appropriate conduct by people at all levels. The middle path is a way of thinking in which no one lived too extravagantly or too thriftily. It encouraged people to live in a way where they consumed only what they really needed, chose products carefully, and considered the impact of their production and consumption on others and the resources of the planet. The Sufficiency Economy concept had the potential to enhance the nation's ability to modernize without defying globalization but with moderation and due regards to sustainable development.

The concept of Sufficiency Economy is based on the principle of reducing one's greed through following the middle path, is also similar to the Buddhist teaching concerning '*panna*'. Practicing Sufficiency Economy promotes the freedom from dependency through the reduction of desire. Such practices of moderation and control of desire are fully in agreement with the teachings of Buddhism.¹¹

Sufficiency Economy and Sustainable Development in Thailand

Rapid increase GDP resulting in concomitant increase in income and consumption (often conspicuous) along with urbanization result in phenomenal increase¹² in the use of natural resources and corresponding generation of waste of all sorts¹³. These have put enormous pressure on the environment in the form of water shortages, air and water pollution, depletion of natural resources, loss of biodiversity and land degradation. Studies have shown that the earth has already exceeded its capacity to support the current life style. Sustainable development is at stake.

Traditional environmental management practices use reactive policies through monitoring and legal measures. ¹⁴These are ineffective in that they occur after the damage has been done and cannot fully prevent environmental damage in the future. In order to achieve full sustainable development a paradigm shift from reactive to preventive policy is required. The Sufficiency Economy which advocates the middle path based on moderation, reasonableness and resilience; is a paradigm which can be implemented. The philosophy of Sufficiency Economy is designed to promote a lifestyle based on ‘sufficiency’ and not on ‘unchecked greed’ and is therefore more stable and desirable. This Sufficiency Economic Framework is the only available practical “development model” which “packages” stable economic growth, improvement in income distribution, gain in environmental sustainability through ‘life style changes’ and development of positive ethics and values leading to overall happiness of mankind.

It is important to emphasize the point mentioned before that Sufficiency Economy can be applied to all levels, branches, and sectors of the economy. Although the principles have been primarily designed for rural economy, which is the backbone of Thai society, their application is not necessarily limited to the agricultural or rural sectors. The financial, real estate, international trade and investment sectors can also benefit by following principles emphasizing moderation in performance, reasonableness, creation of positive ethics and values and ensuring immunity for oneself and society so that the growth generated through the non-agricultural sectors are more stable and free from negative impacts caused by sudden downturns as observed during the financial crisis.

Currently financial crises have caused misery to a large number of people. Both “human factors” along with the standard “structural factors” are responsible for such crises. ¹⁵ As has been quoted before, according to former US Treasury Secretary “Most financial crises are caused by a mix of stupidity and greed and recklessness and risk-taking and hope”¹⁶. Practising Sufficiency Economy is a practical way to counter this “evil mix.”

Comparison of Sufficiency Economy Paradigm (SEP) with the Current Paradigm

The establishment of an alternate development paradigm based on Sufficiency Economy (which we can call the Sufficiency Economy Paradigm or SEP) can correct some of the problems of the current economic paradigm. The negative impacts of the current paradigm have been indicated throughout the paper. In the following table, the current development paradigm and its negative impacts are compared with the Sufficiency Economy Paradigm.

CURRENT DEVELOPMENT PARADIGM (negative impacts in brackets)	SUFFICIENCY ECONOMY PARADIGM
Maximization of Economic growth (Vulnerable to Downturns)	Stabilization of Economic Growth
Consumption led growth (Unchecked Greed leads to Environmental and Personal Degradation)	Sufficiency/moderate level consumption led stable growth
Export led growth (Vulnerable to Downturns)	Growth led export of surplus after meeting needs of a self-reliant economy
Emphasis on growth of industry, services and commercial agriculture as growth engines; community level subsistence agriculture and self-reliance are not highlighted (Exacerbation of Inequality)	Development of self-reliant communities and rural agriculture as the nation’s foundation before moving to industry and services
Implementation of target group oriented Poverty Alleviation programmes to address equity issues especially in rural areas (Not Sustainable without Government or Donor Intervention)	Self-reliance at the community level through appropriate use of local knowledge and resources. Stressing the distribution of income to build the overall economic foundation and stability of the country

CURRENT DEVELOPMENT PARADIGM (negative impacts in brackets)	SUFFICIENCY ECONOMY PARADIGM
Environmental damage control (Reactive Policy and not Preventive)	Sufficiency(moderate) level consumption leading to sustainable environment through effecting lifestyle change
Regulations imposed by external government agencies (Requires continuous Policing from the Outside)	Self regulation promoted through practicing moderation, reasonableness and risk reduction.
No mechanism for inculcating “pro- growth” personal values/ethics such as honesty, patience and perseverance (Ethics takes a back seat)	creation of knowledge, self reliance and virtues like honesty, patience and intelligence;move towards a better ethical society

This Sufficiency Economy Paradigm, based upon the three pillars, is not a direct top-down economic theory like the Keynesian or Monetarist approaches which are used to run an economy. It operates instead at the individual level. Whenever any decision has to be made by a single individual or a “group of single individuals” (at levels of family, village, province, country) about any activity (production, consumption, investment, and many more) under any economic regime, use of SEP (moderation, reasonableness and risk aversion) it will always lead to stable and sustainable outcome. If a person who makes a decision is committed to SEP, his decision and subsequent actions will produce results which will be stable and sustainable. Commitment to “Moderation” will make him avoid extreme options and not to “over leverage his resources (financial, natural, environmental) and will contribute towards sustainability of the results of his actions. Adherence to “reasonableness” will make him to carefully weigh the ‘pros and cons’ before choosing a particular option. He will consider risks and will devise advance plans to cope with adverse situations. This approach at the individual level contributes towards producing stable results. In case a collective decision is to be made and

all the concerned persons subscribe to SEP the final outcome will be consistent with the principles of SEP and thus stable and sustainable.

Putting the New Paradigm into Practice

The issue is how to promote this Sufficiency Philosophy to people at large; from individuals who make decisions in government and corporations, to individuals who make decisions at family and community levels? There can be wide range of options which are normally used to promote a particular point of view or idea and many of these are currently followed in the country. Some of the current strategies are; practical demonstration of the benefits which can be achieved if the idea (SEP) is followed ; use of education system, seminars and discussion groups even Conferences to highlight the potential beneficial impacts; use of media for a wide scale generation of a visual impact of the potential benefits and how these can be realized; adoption of the principles in national policy-making and many more.

However a more “scientific” approach would be to identify the “factors/determinants” which makes an individual committed to the principles of SEP. “Determinants of SEP characteristics” can for instance, be influenced through respect for His Majesty the King, the individual’s socio-economic characteristics, education level and type of institutions attended, strength of religious beliefs and participation in religious activities organized by temples, profession, family environment and many more. Once the determinants are identified they can be used as instruments to promote acceptance and encourage the use of SEP at the level of individual decision. Once this is embraced by a large section of the population from every walks of life, establishment of an alternate development paradigm will follow.

These concepts can be applied in all economic sectors; agriculture industry and services and in both rural and urban areas. However His Majesty the King gave agriculture and rural areas priority as these have been the foundation of the Thai society. The concepts have been formalized,

promoted and disseminated to grassroots beneficiaries, communities and districts/provinces through Royal Development Centers and Projects. For establishing the Sufficiency Economy framework as a practical alternate development model, it is required to identify and measure the accrual of “actual” multiple benefits at different levels; economic, social, cultural, environmental and religious/ethical. This can be achieved through collecting appropriate field data with the help of structured questionnaires and analyzing them subsequently. Data collection and analysis can form a priority research agenda in the future. A second line of research in the area of “Sufficiency Economics” could be developing appropriate “Sufficiency” frameworks for industry and services sectors. It is expected that an economy-wide application of Sufficiency Economy Framework will lead to stable economic growth, sustainable environment and an ethical and “happier” society.

END NOTES

¹(<http://sociology.about.com/od/Works/a/The-Protestant-Ethic-And-The-Spirit-Of-Capitalism.htm>) dated 01/05/2014

²(<http://www.sparknotes.com/philosophy/protestantethic/summary.html>)

³Economic performance is also measured by Gross National Product (GNP) which is (almost similar to GDP) defined as value of goods and services produced in a country in one year using labour, capital and other resources supplied by the citizens of the country (of national origin)

⁴The Income Approach and the Expenditure Approach to Measuring the GDP of a Nation (<http://www.econclassroom.com/?p=2632>)

⁵Gross National Happiness (<http://www.grossnationalhappiness.com/articles/>)

⁶Green GDP (https://en.wikipedia.org/wiki/Green_gross_domestic_product)

⁷Buddhist Economics (https://en.wikipedia.org/wiki/Buddhist_economics)

⁸Economic Ideas of Mahatma Gandhi (<http://www.mapsofindia.com/personalities/gandhi/economic-ideas.html>)

⁹Philosophy of sufficiency economy (http://www.chaipat.or.th/chaipat_english/index.php?option=com_content&view=article&id=4103&Itemid=293)

¹⁰SELF SUFFICIENCY ECONOMY IN THAILAND (http://www.google.co.in/url?url=http://ekh.unep.org/files/SELF%2520SUFFICIENCY%2520ECONOMY%2520IN%2520THAILAND.doc&rct=j&frm=1&q=&esrc=s&sa=U&ei=alT7U6XGCtLj8AXshYDgCg&ved=0CB8QFjAC&sig2=OtmV6s37ZK4TgG4HVoM__A&usg=AFQjCNHZo3_ZLLAP670ltNw4vOtoTUc3mA)

¹¹Greed and desire (<http://buddhism.about.com/od/basicbuddhistteachings/a/greed.htm>)

¹²Sometimes more than proportionate increase

¹³Waste from Consumption and Production - A threat to natural resources (<http://www.grida.no/publications/vg/waste/page/2858.aspx>)

¹⁴Sufficiency Economy: A pathway to sustainable Development (<http://www.ijmbs.com/14/amit.pdf>)

¹⁵“Structural Causes of the Global Financial Crisis: A Critical Assessment of the ‘New Financial Architecture’”, James Crotty University of Massachusetts - Amherst, crotty@econs.umass.edu (http://scholarworks.umass.edu/cgi/viewcontent.cgi?article=1017&context=econ_workingpaper)

¹⁶<http://www.reuters.com/article/2012/04/26/us-usa-economy-geithner-idUSBRE83P01P20120426>

